



AMERICAN GUARD SERVICES, INC.

1299 E. Artesia Blvd, Suite 200
Carson, CA 90746
Phone: (310) 645-6200
Fax: (310) 645-6233
CA State License No. PPO 12969

SECURITY SERVICES AGREEMENT

This Agreement made June 9, 2015 by and between American Guard Services, Inc. ("AGS") and San Carlos School District ("Client")

THE PARTIES AGREE AS FOLLOWS:

1.0 GENERAL PROVISIONS:

1.1 Client requests that AGS furnish Client, on the terms and subject to the conditions of this Agreement, the services of AGS's Security Personnel ("Security Officers") and related equipment at Client's premises located at 1200 Industrial Road, Unit 9, San Carlos, CA 94070; ("Premises").

1.2 The number of Security Officers, the times at which Security Officers shall render services to Client, the equipment to be furnished by and the rates and amount to be paid by Client to for such services and equipment are set forth in the Schedule of Charges for Security Services and Equipment which is on the last page of this Agreement. AGS is providing such services and equipment subject to all of the terms and conditions hereof.

1.3 AGS will render invoices to Client, or longer intervals as AGS and Client agree to in writing. The term of the agreement for services will begin August 26, 2015.

1.4 Invoices will be dated by AGS the last day of each billing period and are due and payable in full by Client upon receipt. All amounts not paid within thirty (30) days of the date of invoice will be deemed overdue, and will bear a late fee of 1.5% per month or the maximum percentage allowed by law.

1.5 This Agreement shall not be binding on AGS unless accepted in writing by an authorized agent of AGS, and is terminable at any time by AGS or Client upon thirty (30) days of written notice to the other party.

2.0 SECURITY SERVICE:

2.1 The services to be rendered under this Agreement by AGS shall be in conformity with written operating procedures (Post Orders) mutually agreed upon by Client and AGS. If, at the request of Client, Security Officers are assigned duties other than those agreed to by AGS, Client shall assume any and all liability arising there from. Post Orders are subject to change as required by Client and must be communicated to AGS in writing. AGS will immediately remove from service, any officer who, in AGS's opinion, is not qualified to perform the work assigned.

2.2 If Client takes exception to any services performed hereunder or claims that AGS has failed to perform any services, such exception or claim must be submitted in writing to AGS within (5) business days or services in question shall be deemed accepted by Client.

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3.0 PERSONNEL ON PREMISES:

3.1 Client authorizes and empowers AGS's personnel, including but not limited to Security Officers, to enter onto and into the Premises for the purpose of rendering services pursuant to this Agreement and all other purposes and activities reasonably related thereto. Client warrants and represents that it is in legal possession of the Premises, or that it is duly authorized to enter into this Agreement and make the authorization set forth in this paragraph, on behalf of the person or entity in legal possession of the premises.

3.2 All Security Officers and other personnel of AGS are the employees or agents solely of AGS, and not the Client. AGS reserves the right to hire, suspend, discipline or discharge any and all of its Security Officers and other personnel. If Client is dissatisfied with the services of a particular Security Officer and if Client notifies AGS, in writing, of its dissatisfaction, then so long as such dissatisfaction is reasonable, AGS shall replace such Security Officer with another Security Officer upon receipt of such request. AGS is acting solely as an independent contractor.

3.3 Client agrees not to knowingly employ, directly or indirectly, any person who has been employed by AGS within one hundred and eighty (180) days following the last day AGS employed such person. In the event Client breaches this provision, then, in addition to any and all other remedies to which AGS shall be entitled, Client agrees to pay AGS forthwith the sum of Five Thousand Dollars (\$5,000.00) per person to cover AGS recruitment, screening and training costs.

If additional personnel/coverage is desired by Client after the rate effective herein, the rate to be charged hereunder will be agreed to at that time.

4.0 PROTECTIVE CLOTHING:

4.01 Unless otherwise requested by Client, Client understands that Security Officers shall be equipped with uniforms and apparel that are conventional wearing apparel only, and that the rates and charges as set forth under "Rates" are based upon Security Officers being equipped with conventional wearing apparel.

4.2 **UNIFORMS** and apparel are not designed as protective clothing, are not flame retardant or acid resistant, and do not provide barrier protection for chemicals or other hazardous materials.

5.0 STRIKE COVERAGE:

5.1 Due to the nature of labor disputes, this contract does not provide Security Officer Coverage for strikes. Should the need arise to provide Client with strike coverage, a separate contract and pricing must be negotiated.

6.0 BILLING, TERMS AND RATES:

6.1 Client hereto agrees that AGS shall have the right to increase the hourly rates provided for herein at any time or times after the expiration or one (1) year from the date hereof, upon giving Client written notice thirty (30) days in advance of the effective date of such increase. If Client desires not to pay such increased charge, Client must notify AGS in writing ten (10) days prior to the effective date of any such increase. Failure by Client to give AGS such notice shall be deemed agreed to by Client to the increased rates.

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6.2 Notwithstanding anything to the contrary herein, in the event the direct labor cost of AGS is increased by virtue of any increase in state or federal minimum work rates, other legislation, regulation or taxes, AGS may increase its rates to reflect such increase. Any such increase would go into effect one full billing cycle after Client's receipt of written notification of the increase. In addition, the rates may be increased in the event of any strike or emergency conditions which render the services more difficult to provide. In the event of any such increase, Client may, at Client's option, immediately terminate this agreement.

7.0 PROPERTY:

7.1 Client acknowledges and agrees that this Agreement is for the providing of services only, that all equipment furnished by AGS pursuant to this Agreement shall be for the use of AGS's personnel, that title and possession of such equipment shall remain in AGS at all times, and that the personnel of AGS may enter onto and into the Premises at any time for the purpose of removing any or all such equipment. Removal of any or all such equipment shall be without prejudice to the rights of AGS to the collection of all amounts due under this Agreement.

8.0 ADDITIONAL PERSONNEL:

8.1 If additional personnel/coverage is desired by Client after the rate effective hereof, the rate to be charged hereunder will be agreed to at that time.

9.0 LIMITS OF LIABILITY:

9.1 Client acknowledges that AGS is not an insurer, and that the security services provided hereby do not constitute maximum security. The security services are intended to act only as a deterrent and to provide only a degree of security to carry out the written operating procedures or Post Orders. The amounts payable to AGS under this Agreement are not based upon the value of the Client's property, nor the property of others located in or about Client's premises. The services provided under this Agreement are solely for the benefit of Client and neither this Agreement nor any services rendered hereunder shall create or be deemed to create any rights in any other party as a third party beneficiary. Client agrees to indemnify and hold AGS harmless against any and all claims by such third parties. AGS shall maintain Workers' Compensation Insurance covering its Security Officers and other personnel engaged in the furnishing of services under this Agreement. In addition, AGS shall maintain for its own protection Comprehensive General Liability and Automobile coverage. AGS shall not be liable for any claim, demand or liability resulting in whole or part from any negligent act or willful misconduct of Client, or any of Client's employees, officers, directors or representatives.

10.0 TERMINATION AND RIGHTS:

10.1 If Client shall fail to pay any amount hereunder within thirty (30) days after the same is due and payable, or if Client shall fail to perform any other provision hereof within ten (10) business days after AGS shall have requested in writing the performance thereof, or if any proceeding in bankruptcy, receivership of insolvency shall be commenced by or against Client or Client's property, or if Client makes any assignment for the benefit of creditors, AGS shall have the right, without prior notice to Client, immediately to terminate this Agreement and cease rendering all services to Client hereunder, and AGS shall be entitled to recover the existing amount due from Client and all other sums to which AGS may be entitled under law, and shall be entitled to remove from the Premises all equipment furnished by AGS located or installed thereon. Removal of any such

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equipment or the cessation of any such services supplied by AGS shall not be a breach by AGS of this Agreement or a waiver by AGS of any damages or rights.

10.2 Client agrees to pay AGS the reasonable costs incurred by AGS in collection of any amounts owed by Client, or in enforcing any other rights of AGS hereunder, including, in the event AGS institutes legal proceedings to collect such amounts or enforce such rights, reasonable attorney's fees and disbursement incurred in such proceedings.

10.3 AGS assumes no liability for delay or interruption of the services of any personnel of AGS due to strikes, riots, floods, fires, acts of the public enemy, terrorism or any cause beyond the control of AGS, or any act of God or matter of force majeure.

10.4 Any controversy or claim arising out of or relating to this Agreement, or breach thereof, shall be settled at arbitration in accordance with the Commercial Arbitration Rules of American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Such arbitration shall take place in Sacramento, California. Any party hereto may obtain any provisional remedy, including but not limited to an attachment in any court of competent jurisdiction, without waiving the right to arbitration.

10.5 In the event any of the terms or provisions of this Agreement shall be invalid or inoperative, all of the remaining terms and provisions shall remain in full force and effect.

10.6 This Agreement is intended by the parties as a final expression of their agreement and is a complete and exclusive statement of the terms thereof. This Agreement supersedes all prior representations, understandings and agreements of the parties, and the parties rely upon the contents of this Agreement in executing it. This Agreement can only be modified by an agreement signed by the parties. No waiver of a breach of any term or condition of this Agreement shall be construed to be a waiver of any succeeding breach of any other term or condition of this Agreement.

10.7 This Agreement shall be governed by, and its terms construed in accordance with, the laws of the State of California.

10.8 This Agreement contains no implied terms. Nothing herein shall be deemed to be for the benefit of any person or entity not a party hereto.

10.9 Any notices, demands or other communications required or desired to be given hereunder by any party hereto shall be in writing and shall be deemed to have been given if delivered personally, delivered by a reputable overnight courier, or sent by registered or certified mail, return receipt requested (deposited in postage prepaid) to the party at the address set forth at end of this Agreement (unless and until a party shall give notice of change of address and such new address shall be the place to which notices, demands or other communications can be delivered or mailed).

10.10 American Guard Services, Inc. is an Equal Opportunity Employer, and provides a drug-free workplace. All Clients are expected to comply with the regulations that pertain to both.

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11.0 HOURS OF GUARD SERVICES:

11.1 Schedule of coverage.

| Estimated Monthly Billing (4 Hours) | | | | | | | | | | | | |
|-------------------------------------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|
| # of Location | 3 | | | | | | | | | | | |
| # Hrs per Location Daily | 4 | | | | | | | | | | | |
| Total Daily Hours | 12 | | | | | | | | | | | |
| Rate Per Hour | \$ 16.75 | | | | | | | | | | | |
| | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | School Yr Total |
| SCSD School Days | 4 | 22 | 21 | 14 | 14 | 19 | 16 | 23 | 16 | 21 | 10 | 180 |
| ARROYO/CEDAR | \$ 402.00 | \$ 2,211.00 | \$ 2,110.50 | \$ 1,407.00 | \$ 1,407.00 | \$ 1,909.50 | \$ 1,608.00 | \$ 2,311.50 | \$ 1,608.00 | \$ 2,110.50 | \$ 1,005.00 | |
| ARROYO/BRITTAN | \$ 134.00 | \$ 737.00 | \$ 703.50 | \$ 469.00 | \$ 469.00 | \$ 636.50 | \$ 536.00 | \$ 770.50 | \$ 536.00 | \$ 703.50 | \$ 335.00 | |
| DARTMOUTH/ SAN CARLOS | \$ 268.00 | \$ 1,474.00 | \$ 1,407.00 | \$ 938.00 | \$ 938.00 | \$ 1,273.00 | \$ 1,072.00 | \$ 1,541.00 | \$ 1,072.00 | \$ 1,407.00 | \$ 670.00 | |
| Est Invoice by Month | \$ 804.00 | \$ 4,422.00 | \$ 4,221.00 | \$ 2,814.00 | \$ 2,814.00 | \$ 3,819.00 | \$ 3,216.00 | \$ 4,623.00 | \$ 3,216.00 | \$ 4,221.00 | \$ 2,010.00 | \$ 36,180.00 |

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12.0 SCHEDULE OF CHARGES FOR SECURITY SERVICES AND EQUIPMENT:

| <u>SECURITY OFFICERS</u> | <u>BASE RATE PER HOUR</u> |
|--------------------------|-------------------------------|
| 1 Crossing Guard | \$ <u>16.75</u> |

12.2 Equipment Billing -

Client also acknowledges and agrees that this Agreement is for the providing of services only, that all equipment furnished by AGS pursuant to this Agreement shall be for the use of AGS's personnel, that title and possession of such equipment shall remain in AGS at all times, and agrees to pay AGS the following rates for equipment listed:

N/A

12.3 The Overtime rate is for each hour of service rendered by each Security Officer in excess of eight (8) hours on any single shift within a twenty-four (24) hour period or in excess of forty (40) hours in any single week. For each security officer who is required to appear in court or at a deposition as a witness as a result of an occurrence at Client's facility, AGS shall bill Client at the Overtime rate for the amount of hours the Security Officer is required to be present in court, plus parking charges and travel time to and from court.

12.4 The Holiday rate is for services by each Security Officer on any of the following holidays:

| | |
|------------------|------------------|
| New Years Day | Labor Day |
| Presidents Day | Veterans Day |
| Memorial Day | Thanksgiving Day |
| Independence Day | Christmas Day |

12.5 Any additional service must be requested at least 72 hours prior to start time. Failure to give adequate notice (72 hours) will result in service being billed at overtime rates.

13.0 ACKNOWLEDGMENT: CLIENT HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS AGREEMENT AND HAS READ AND UNDERSTOOD THE TERMS AND CONDITIONS HEREOF.

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San Carlos School District

Client's Name

1200 Industrial Road, Unit 9
San Carlos, CA 94070

Client's Address

BY: *[Signature]*

Authorized Signature

Robert Pickett

Signer's Name (Typed or Printed)

Chief Operations Officer

Signer's Title

6/9/2015

Date

AMERICAN GUARD SERVICES, INC.

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BY: _____

Authorized Signature

Signer's Name (Typed or Printed)

Signer's Title

Date 6/9/2015

AGS- Rev 4/15

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